

Evan Disher
Market360 Adviser
Stewart-Peterson Inc.
edisher@stewart-peterson.com



Dairy slaughter for the week ending Jan. 16 was 65,500 head, which is a 3,000-head decrease from the previous week's total and a 300-head increase from the same week last year. Year-to-date, dairy slaughter is 134,000 head, compared to 130,000 head slaughtered this same time last year. In the Jan. 22 milk production report, the USDA reported U.S. dairy herd size for December 2015 at 9.322 million head – 1,000 head more than November. Year-to-date, the U.S. dairy herd grew by 18,000 head during 2015.

The U.S. average price for dairy cows in December was \$74.80 per hundredweight (cwt), down \$7.20 per

cwt from November and down \$40.20 per cwt from December 2014. The seasonal pattern calls for prices to gradually rise throughout the first few months of 2016.

On the Jan. 22 USDA cold storage report, December total beef stocks increased roughly 1 percent from November and were up 16 percent from the year prior. On Jan. 22, the USDA cattle on feed report put Jan. 1 inventory at 10.573 million head. This is a 2 percent decline from December and a 0.5 percent decline from January 2015.

The report also put December feedlot placements at 1.525 million

head. This is down 5 percent from November and down 1 percent from December 2014. Finally, cattle marketed in December totaled 1.674 million head, which is a 1 percent increase from December 2014.

Since trending lower from roughly early July to mid-December, live cattle futures appear to have put in a short-term bottom and are now starting to trend sideways to higher. Contracts reversed on Dec. 18 due to the slightly bullish cattle on feed report.

The report gave contracts a limit higher move which created a bullish reversal on charts. Since then, contracts have been trading mostly

sideways in a tug-of-war battle between the bulls and the bears. The strength in cash markets has offset the potential for larger supplies of animals in the months ahead. The recent cattle inventory report showed the U.S. cattle herd as of Jan. 1 at a five-year high.

The fundamental picture for cattle futures remains mixed for the time being, keeping prices mostly neutral. If fundamentals stay both bullish and bearish, prices could continue to chop around for weeks to come. Producers should have a plan in place to take advantage of the market highs and to protect against the market lows if this sideways pattern continues. **PD**

MARKETWATCH February 10, 2016	Top Springer	Top Average	Medium Holstein Springer	Shortbreds	Open Heifers Light	Open Heifers Heavy	Heifer Calves	Bull Calves	Breeding Bulls
Empire Livestock – Burton Market Vernon, NY (800) 257-1819 (sale 2/4/16)	\$1,900 NC	\$1,700 NC	\$1,500 NC	\$1,600 NC	\$900 NC	\$600 NC	\$135 \$5 ▲	\$120 \$10 ▲	\$1,000 NC
Mammoth Cave Dairy Auction, Inc. Smiths Grove, KY (800) 563-2131 (sale 2/9/16)	\$1,950 NC	\$1,800 NC	\$1,450 NC	N/T	\$500 \$150 ▼	\$910 NC	\$170 \$20 ▼	\$140 \$40 ▼	N/T
New Holland Sales Stables New Holland, PA (717) 354-4341 (sale 2/10/16)	\$2,350 \$325 ▲	\$2,000 \$175 ▲	\$1,700 \$350 ▲	\$1,800 \$250 ▲	\$1,075 \$100 ▲	\$1,235 \$110 ▲	N/T	N/T	\$1,475 \$225 ▲
Mid-Georgia Livestock Auction Jackson, GA (770) 775-7314 (sale 2/11/16)	\$2,100 NC	\$2,000 \$75 ▼	\$1,650 \$25 ▲	\$1,900 \$475 ▲	\$450 \$10 ▲	\$710 \$60 ▲	\$120 \$120 ▼	\$250 \$60 ▲	\$1,475 \$425 ▲
Central Livestock Association Zumbrota, MN (877) 732-7305 (sale 2/9/16)	\$1,875 \$65 ▲	\$1,760 \$60 ▲	\$1,300 NC	\$1,350 \$50 ▼	N/T	\$1,125 \$415 ▲	N/T	N/T	N/T
Equity Co-op Livestock Stratford, WI (715) 687-4101 Rocky Olsen (608) 434-4037 (sale 2/10/16)	\$1,900 \$200 ▼	\$1,825 \$50 ▲	\$1,650 \$100 ▲	\$1,375 \$125 ▼	\$850 \$25 ▼	\$1,250 NC	\$280 \$20 ▼	\$285 \$30 ▲	N/T
Lake Odessa Livestock/Ravenna Auction LLC Lake Odessa, MI (616) 374-8213 (sale 2/9/16)	\$1,850 \$350 ▼	\$1,400 \$400 ▼	\$1,750	\$1,100 \$50 ▲	\$350 \$250 ▼	\$750 \$200 ▼	\$250 \$100 ▼	N/T	\$1,400 \$350 ▼
Norwood Dairy Cattle Auction Norwood, MO (417) 746-4242 (sale 1/15/16)	\$2,050 \$275 ▼	\$1,870 \$155 ▼	\$1,125 \$375 ▼	\$1,590 \$80 ▲	\$750 NC	\$1,075 \$150 ▲	N/T	\$255 \$125 ▼	N/T
Pipetstone Livestock Auction Market Pipetstone, MN (507) 825-3306 (sale 1/21/16)	\$2,175 \$325 ▼	\$2,020 \$134 ▼	\$1,969 \$95 ▼	N/T	\$153 \$9/cwt ▼	\$175/cwt \$24/cwt ▲	N/T	N/T	N/T
Springfield Livestock Marketing Center Springfield, MO (417) 869-9500 Doug Thomas (417) 840-9316 (sale 1/26/16)	\$1,960 \$115 ▼	\$1,700 \$50 ▼	\$925 \$250 ▼	\$1,500 \$125 ▼	\$750 \$120 ▲	\$970 \$90 ▼	\$320 \$30 ▲	\$260 \$100 ▲	N/T
Topeka Livestock Auction Topeka, IN (206) 593-2522 (sale 2/9/16)	\$2,000 \$85 ▼	\$1,570 \$95 ▼	N/T	N/T	\$160/cwt NC	\$148/cwt \$4/cwt ▲	\$290 \$40 ▲	N/T	\$1,450 \$200 ▲
Tri-State Livestock Sioux Center, IA (712) 722-0681 Mike Koedam (712) 470-0198 (sale 1/20/16)	\$2,250 \$250 ▼	\$2,052 \$52 ▼	\$1,988 \$13 ▲	N/T	\$144/cwt \$1/cwt ▲	\$184/cwt \$66/cwt ▲	N/T	N/T	N/T
United Producers, Inc. Marion, MI (517) 294-3484 (sale 1/15/16)	\$2,500 \$100 ▼	\$2,050 \$150 ▼	\$1,700 \$300 ▼	\$1,500 NC	\$800 \$100 ▲	\$1,300 \$100 ▼	\$250	N/T	\$1,200 \$200 ▼
Brush Livestock of Colorado Brush, CO (970) 842-2801 (sale 2/4/16)	\$2,50 \$50 ▼	\$2,300 \$25 ▲	\$2,295 \$111 ▲	\$2,200 \$750 ▲	N/T	N/T	N/T	N/T	N/T
Chehalis Livestock Market Chehalis, WA (360) 748-3191 (sale 1/15/16)	N/T	N/T	\$1,350 \$125 ▲	N/T	N/T	\$800	N/T	N/T	N/T
Producers Livestock Jerome, ID (208) 324-4345 (sale 1/27/16)	\$2,150 \$25 ▲	\$1,950 \$120 ▼	\$1,470 \$430 ▼	\$1,200 \$120 ▼	\$122/cwt \$1/cwt ▼	\$143/cwt \$5/cwt ▼	\$490	N/T	N/T
Smithfield Livestock Auction Smithfield, UT (435) 563-3259 (sale 11/19/15)	\$2,000 \$360 ▼	\$1,800 \$500 ▼	\$1,790 \$410 ▼	N/T	N/T	\$131/cwt	N/T	\$320	N/T
Toppenish Dairy Replacement Sales Toppenish, WA (509) 865-2820 (sale 2/10/16)	\$1,935 \$115 ▼	\$1,900 \$100 ▲	\$1,650 \$50 ▼	\$1,550 \$150 ▼	\$200/cwt \$15/cwt ▲	\$170/cwt \$20/cwt ▲	N/T	N/T	\$1,250
Sulphur Springs Livestock & Dairy Auction Sulphur Springs, TX (903) 885-7739 (sale 2/4/16)	\$1,610 \$390 ▼	\$1,500 \$25 ▼	\$1,475 \$25 ▼	\$1,200 NC	\$850 \$150 ▲	\$1,225 \$325 ▲	\$390 \$115 ▲	\$380 \$90 ▲	\$1,275 \$100 ▼
Farmers Livestock Market Oakdale, CA (209) 847-1033 (sale 2/4/16)	\$2,185 \$65 ▼	\$1,950 \$100 ▲	\$1,500 \$100 ▼	\$2,000 \$150 ▲	\$220/cwt NC	\$185/cwt NC	\$200 \$25 ▲	\$150 \$50 ▲	\$1,700 \$200 ▲

Contact Judy about being included in *Progressive Dairyman's* Market Watch! judy@progressivedairy.com • (208) 324-7513 NC = No change N/T = No test Decrease in price ▼ Increase in price ▲

Log on to www.progressivedairy.com/marketwatch to get auction reports from more locations!